STATE OF CALIFORNIA DEPARTMENT OF INSURANCE 45 Fremont Street, 21st Floor San Francisco, California 94105

NOTICE OF AMENDMENT TO TEXT OF REGULATION

RH- 01013503 June 7, 2002

On March 29, 2002, California Insurance Commissioner Harry W. Low issued a Notice of Proposed Action and Notice of Public Hearing, proposing the adoption of regulations pertaining to Direct Repair Programs and Labor Rate Surveys. The Department held a public hearing and received oral and written public comments in response to the Notice.

PUBLIC COMMENT INVITED:

The Commissioner has proposed changes to Sections 2698.90 and 2698.91 in response to public comments, and now solicits written comments on those changes only, which are attached. Comments submitted on unchanged portions of the regulations will not be considered.

The Commissioner believes the changes made are either nonsubstantial or solely grammatical in nature, or are sufficiently related to the original text that the public was adequately placed on notice that the change could result from the originally proposed regulatory action. Accordingly, pursuant to the provisions of California Government Code Section 11346.8(c), the Commissioner is soliciting written public comment on the changes. A copy of the changes, with the proposed changes clearly indicated, is available for public comment for at least 15 days. Deletions are indicated in strikethrough; additions are underlined.

CONTACT PERSONS:

All written comments submitted in response to this Notice and all general or substantive questions regarding this Notice should be directed to either of the contact persons as follows:

Teresa R. Campbell, Staff Counsel California Department of Insurance 45 Fremont Street, 21st Floor San Francisco, CA 94105

Telephone: (415) 538-4126

Tony Cignerale, Division Chief, Consumer Services Division California Department of Insurance 300 South Spring Street, 14th floor Los Angeles, CA 90013 Telephone: (213) 346-6360

DEADLINE FOR WRITTEN COMMENTS:

All written materials must be received by the Insurance Commissioner, c/o the contact person at the address listed above, no later than **4:30 p.m. on June 24, 2002.**

COMMENTS TRANSMITTED BY E-MAIL OR FACSIMILE:

The Commissioner will accept written comments transmitted by e-mail provided they are sent to the following e-mail address: campbellt@insurance.ca.gov. The Commissioner will also accept written comments transmitted by facsimile provided they are sent to the contact person listed above at the following facsimile number: (415) 904-5490. Comments sent to other e-mail addresses or other facsimile numbers will not be accepted. Comments sent by e-mail or facsimile are subject to the deadline for written comments set forth above.

AUTOMATIC MAILING:

A copy of this notice, together with the amended text of the proposed regulations, will automatically be sent to all those who testified at the public hearing, all those who submitted written comments at the public hearing, all persons whose comments were received during the public comment period, all persons who requested copies of information regarding the regulations, and all persons who requested notification of the availability of such changes.

WEBSITE POSTINGS:

Documents concerning this proceeding are available on the Department's website. To access them, go to http://www.insurance.ca.gov. Find near the top of the page the major heading 'Protecting Consumers.' In this section, scroll down until you see the subheading 'BE INFORMED.' Click on the nearby 'Proposed Regulations - Search' link. When the search field appears, enter 'RH01013503' (the Department's regulation file number for these regulations). Alternatively, search for the California Insurance Code number of a code section that the regulations implement (for instance, "758"), or search by key word ('direct repair,' for example, or 'labor rate'). Then, click on the "Submit" button to display links to the various filing documents.

To browse, click on the "Browse All Regulations" button near the bottom of the screen. A list of the names of regulations for which documents are posted will appear. Find in the list the "Direct Repair Programs and Labor Rate Surveys" link, and click it. Links to the documents associated with these regulations will then be displayed.

Dated: June 7, 2002 HARRY W. LOW Insurance Commissioner

By /s/ Teresa R. Campbell Staff Counsel